

GRAND HAVEN BOARD OF LIGHT AND POWER
JOINT BOARD/CITY COUNCIL SPECIAL MEETING MINUTES
JANUARY 20, 2022

A Special Joint Meeting of the Grand Haven Board of Light and Power and Grand Haven City Council was held on Thursday, January 20, 2022 at 5:15 p.m. at the Grand Haven City Council Chambers, 519 Washington Avenue, in Grand Haven, Michigan and electronically via Facebook.

The meeting was called to order at 5:25 p.m. by Mayor McNally.

BLP Present: Directors Hendrick, Westbrook, and Chairperson Kieft.

BLP Absent: Directors Crum and Witherell.

Council Present: Cummins, Fritz, Lowe, McLaughlin, and Mayor McNally.

Also present were Renee Molyneux, Administrative Services Manager and Secretary to the Board, and Kelly Beattie, City Clerk.

Call to Audience: No comments were heard.

Opening Remarks: Mayor McNally asked all to address issues with the greater good of the community in mind. The meeting will be conducted in a roundtable format and speakers were asked to remove masks and face the Mayor and BLP Chair when speaking.

22-02A General Working Relationship Between City Council and GHBLP –

Councilman Fritz expressed appreciation for tonight's meeting and interest in meeting more often.

Director Westbrook stated his personal perception is that the relationship between the two bodies is not great, and he wants to help repair that. He reviewed the City's SWOT analysis and appreciated seeing the relationship with the BLP listed as an opportunity. Westbrook's feedback on statements made during City Council's January 18 meeting is that they were hurtful and do not read like council views the relationship as an opportunity. Westbrook believes the Board and Council have an opportunity to repair the damage, he is ready to collaborate, and he is optimistic relations can improve.

Councilman McLaughlin agreed with Westbrook stating, yes, things were said on Tuesday, and they are committed to what was said. He looks forward to improving relationships.

Councilwoman Lowe stated she thought about building public trust, following the law, and holding each other accountable. She feels this can be accomplished by:

1) Working in compliance with Section 16.3.(a) of the Charter, which states, "Electric facilities: Subject to the general direction of the council, the board shall have charge of the city's electric services, and shall organize and conduct the affairs of the city's systems, etc." Lowe added the BLP General Manager is not a BLP trustee. He is responsible to the trustees and serves at their pleasure.

2) Working in compliance with the Open Meetings Act.

3) Addressing vacancies. Lowe referenced Section 4.10 (10), (11) and (13) of the Charter, which provides direction on the attendance of the mayor, council members and BLP directors and how vacancies are declared and filled.

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Councilman Cummins feels this meeting is long overdue. He feels the public bodies have the best intentions and want the best for the community. The public bodies are the policy makers. In the past, perhaps this has been delegated to management. It's important the policy makers set the tone. He has heard rumors that the City wants to take over the BLP and assured this is not in his wheelhouse, but both bodies have joint policy issues that affect both entities. Council wants to be involved in the larger issues, such as having a power plant on the island. He wants to work together and meet regularly while not allowing management to take over discussions. The bodies want and need management's advice to help make good policy decisions, but that needs to be done collectively together.

Director Hendrick feels the role of the BLP Board and City Council is to represent the community and our community's vision. She stated the Charter is clear. City Council sets the general direction for the BLP. The BLP Board needs to improve making policy decisions and how they delegate to staff. She feels the community has spoken and that they care about the future and climate change. The Board needs direction on sustainability from the city which is important to her and the community.

Chairperson Kieft feels the past is the past and we must put it behind us to effectively work together. He's all about community and believes the two groups can work together.

Mayor McNally feels both bodies come into this with some baggage, and we need to put it behind us. She is troubled by the lack of quorum on the BLP board. When we have members who are unable to live up to their duties, as representatives of the community, they need to convey that. She stated the relative relationships are fairly clear in the Charter. Her two largest concerns include, 1) Harbor Island environmental issues, and 2), the City's unfunded liability. They need GHBLP's help with Harbor Island and alignment. She feels it would be very good to meet regularly and suggested quarterly meetings.

Chairperson Kieft stated he is open to quarterly meetings as long as there is a purpose.

All concurred.

22-02B Path Forward / Holistic Approach for Remediation of Harbor Island –

Mayor McNally stated the city voted to engage HDR. She views this as necessary because we need a broader scope of expertise and services for the remediation of Harbor Island. HDR will be the environmental consultant for the City and Golder will be phased out. The environmental attorney will either be phased out or will be funneled through the city attorney because she wants to be sure we speak as one voice.

Director Westbrook stated HDR is a good firm and is the right choice. Transfer of ownership needs to be discussed. He stated Erik Booth has done a fantastic job and we want a healthy transfer forward.

Mayor McNally concurred. The City realizes this needs to transfer in a healthy format. The mayor fully intends to include Booth in the transition and knows that the BLP plays a critical role.

Chairperson Kieft asked that this message be conveyed to the BLP and that the city ensures the continued involvement of the technical expertise of Erik Booth.

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Councilman Fritz said Booth is an asset for our community and he trusts him. The BLP has to be part of this effort.

Councilwoman Lowe agrees with the mayor. She doesn't want to upset anyone at the BLP. She wants to move forward jointly and transparently.

Councilman McLaughlin feels what it's going to become (the island) is what is important to the community. He feels they need to work together to make the best possible use for the island, both economically and from a natural standpoint.

Director Hendrick feels this is the right time to seek federal funding that is now available as well as local, philanthropic support. She feels there has been an attitude of focusing on the minutia versus the grand vision for the island. She supports the shift from Golder to HDR. This is a once in a generation issue and the Board and Council are the people responsible for making it right.

Councilman Cummins stated HDR presents a fresh start. He looks at this as a collective effort. He said HDR is not the cheapest option, but hopefully they are the best practical option.

Chairperson Kieft does not have any issue with what has been discussed.

Councilwoman Lowe suggested members from each body may need to meet more frequently should issues arise that need direction for staff.

Mayor McNally wants a narrative from the consultants explaining the importance of the watershed and the contaminants that are on the island as a starting point for discussions with legislators.

22-02C Concerns About Remediation Funding –

Mayor McNally stated she and Chairperson Kieft had a discussion regarding which items should be funded by taxpayers vs ratepayers and agree they need to establish a policy.

Chairperson Kieft suggested the two bodies transition on policy as we progress and after we know what federal and state assistance is available.

Mayor McNally stated the city will lead the effort to gain funding. Following that, the public bodies will meet to determine what is fair.

Director Hendrick feels a policy should be developed immediately on how we are utilizing resources with the first policy being how we gather information from the community.

Chairperson Fritz suggested there needs to be a point person.

Councilman Cummins stated HDR has grant writers available to seek funding opportunities. He wants a policy developed on the division for expenses because money will be spent while grants are being sought. Who pays in the short term needs to be established.

Mayor McNally agrees we need to agree who pays in the short term and find some support to help in the long term.

Chairperson Kieft stated the BLP already spent \$800,000 - \$900,000 and has not asked the city to contribute.

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22-02D Future Possibilities for the Diesel Plant –

Director Hendrick said there is interest from BLP Board and staff in possibly remodeling the Diesel Plant and using some of that space for future BLP offices.

Director Westbrook stated the BLP doesn't need all the space and it's not financially a good decision. We would be better off doing something less grand, but in the spirit of historic preservation, the BLP has been in that location for over 100 years, and he likes the idea of returning that space, or some of that space to the BLP. He's not sure how to make that happen – possibly a co-ownership, but it feels like the right thing to do.

Chairperson Kieft discussed the possibility of having local non-profits use the space, such as the U.S. Coast Guard. He believes the cost to remediate and remodel will be around \$8 million. The BLP does need to provide workspace for employees and redundancy and would like to pursue ideas with CL Lakewood.

Councilman Fritz agrees it's a good opportunity and the BLP should have a conversation with the developer. He suggested the BLP lease the office space.

Councilman McLaughlin feels it's a great opportunity to have BLP/Lakewood work together. He believes there may be grants available for this project.

Chairperson Kieft feels leasing is not a viable option for a business.

Councilwoman Lowe agrees we need to look at rent vs buy. She wants to preserve the building.

Councilman Cummins wants the BLP/Lakewood to work together.

Mayor McNally echoes comments. She hopes to preserve that historic building. She would have been open to residential condos to preserve the building but is open to BLP sharing that space.

22-02E Boilers for Snowmelt –

The mayor stated the BLP bought boilers at the city's request and will invoice the city. The city does not have funding available to reimburse the BLP, but there may be some opportunity to use the diesel plant as a method of repayment.

Councilman McLaughlin asked if the BLP would consider a payment plan over a period of years.

Chairperson Kieft suggested we need 3-6 months to sort out all financial impacts before we make this decision. We are not expecting immediate payment.

Director Westbrook suggests we invoice the city and come up with a solution for repayment. He feels this is a good direction.

Councilwoman Lowe thanked Chairperson Kieft. She said the city has a lot of unknowns and appreciates having time as they figure out how it all fits together.

Councilman Cummins asked if the BLP will contribute toward snowmelt.

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Chairperson Kieft shared information about Holland's retail district and operation of their snowmelt system. He said Grand Haven's snowmelt system is a sunk cost.

Director Hendrick wants the conversation to continue. The cost of the new boilers was originally estimated at \$750,000 and ended at \$1 million. It is important both public bodies consider what is sustainable for the future.

22-02F The Need to Consolidate Legal Services Through the City Attorney –

Mayor McNally said legal services need to be aligned and ran through the City Attorney.

Councilwoman Lowe stated the city attorney is the attorney of record for both the city and the BLP in accordance with the Charter.

Director Hendrick ran on a platform of transparency. She wants to know what the itemized expenses are, who the attorneys are, and what they're doing.

Kieft stated the BLP hired and approved these attorneys based on their proposed rates. The Board's job is oversight, not to look at every invoice to determine whether we are being charged in accordance with those approved rates. That is the responsibility of BLP's Finance Manager.

Cummins stated the BLP's attorneys were approved by City Council (Varnum and Jaffee) for specialties outside of the city attorney's expertise.

Lowe wants to ensure we are spending ratepayer / taxpayer money wisely.

McLaughlin said council members participate on an audit committee to review invoices on a rotating basis, two members for six months at a time.

Fritz concurred with Cummins – City Council approved hiring BLP attorneys who specialize in other areas.

Kieft added the BLP is audited annually by an independent firm and they have found no issues with current processes.

Mayor McNally feels the environmental attorney is at odds with EGLE. She added members of the Board should be able to ask questions and get answers.

Director Westbrook stated he called Kent Walters at EGLE to check in and hear his position. He asked if the relationship with the BLP was strained as stated by members of city council. Kent Walters' said the relationship is not strained. There are differences of opinion, but they are working through them. Westbrook offered to share Kent Walter's phone number so other members could contact him directly.

Lowe said if a Board member has questions, it is their fiduciary responsibility to ask and get answers. The mayor added it is their independent right to access information without barriers.

Chairperson Kieft returned to addressing vacancies. We had another Board member absent a few years ago for medical reasons and he returned. Our current Board member who is out for medical reasons is doing well and Kieft feels we should not rush his return.

Other Business – Council and the Board received a letter from GHEO regarding internal BLP issues. The mayor is referring this letter to the BLP to address their concerns.

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Councilman Cummins stated he wants both bodies to be involved.

Hendrick stated GHEO is a reputable, grassroots organization. She wants both bodies to acknowledge this group, listen to them, and to implement their suggestions.

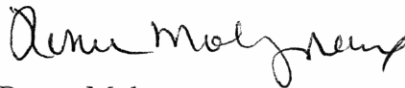
Call to Audience – Jim Haegen, 78 Grand Avenue, stated this was a good session. He is very pleased about the meetings and encouraged both bodies to follow a parallel path on Harbor Island. He also encouraged members to listen to their engineering company as well as the community.

Field Reichardt, 317 Lakeview, said he appreciated the discussion regarding federal funding. Harbor Island is a broad problem. He suggests HDR reach out to legislators. He encouraged both bodies to reread the letter from GHEO.

No formal action was taken during this special joint meeting.

At 7:34 p.m., the meeting was adjourned.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Renee Molyneux".

Renee Molyneux
Secretary to the Board

RM